

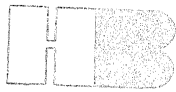
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FOR BUILDING <sup>HILL-BURTON AID</sup>  
COMMUNITY HEALTH FACILITIES  
LOAN GUARANTEES WITH INTEREST GRANTS  
SUBSIDIES  
LOANS



Public Health Service • Health Services and Mental Health Administration

Health Facilities Planning and Construction Service Rockville, Maryland 20852



BETTER PATIENT CARE for all the people has been a major objective of the Hill-Burton program since its inception following the enactment of the Hospital Survey and Construction Act of 1946. Activities under the original legislation, sponsored by Senators Lister Hill of Alabama and Harold Burton of Ohio, and subsequent amendments have centered on:

- ☐ the award of grants for the construction of various types of health facilities needed in each State. (With the enactment of Public Law 91-296, Medical Facilities Construction and Modernization Amendments of 1970, the Program was broadened to include loan guarantees with interest subsidies for non-profit hospitals and direct loans for public hospitals);
- ☐ the development of better planning methods to aid communities assess their overall needs and determine areas requiring greatest priority;
- ☐ the elevation of standards of design, construction, and operation of facilities through the provision of consultation services which includes the development of guide materials widely used not only in this country but by health facility planners around the world.

## GRANT PROGRAM

### ■ Eligible Facilities

The following types of public or other nonprofit health facilities for which a need is established are eligible for grants:

Hospitals

Outpatient facilities (including neighborhood health centers)

Public Health centers

Rehabilitation facilities

Facilities for long-term care (including extended care facilities)

State health laboratories

### ■ Types of Projects

Construction of new buildings or expansion of existing buildings

Alteration, major repair, remodeling, replacement, or renovation of existing buildings

Initial equipment for new, expanded, or modernized structures

Equipment-only projects which provide a new community service

Modernization of emergency rooms within hospitals (including provision of medical transportation facilities such as ambulances and helicopters)

### ■ How to Apply for a Grant

Consult your State agency concerning your community's needs for hospitals and other health facilities, the priorities for construction, and the eligibility of the proposed projects.

The State agency will:

1. Advise as to the possibility of the project receiving Hill-Burton assistance
2. Furnish application forms
3. Give instructions on completing and submitting the application
4. Explain the applicant's responsibilities which include:
  - a. Raising the non-Federal share of the construction costs
  - b. Employing an architect to prepare plans and specifications
  - c. Submitting the application to the areawide planning agency and the State agency for review and comment
  - d. Awarding construction contracts based on competitive bids and purchasing equipment in accordance with established procedures
5. Provide information regarding all State and Federal requirements

#### □ Federal Share

Grants are awarded on a matching basis as determined by the State administering agency but may not exceed two-thirds of the total eligible costs *except* that participation up to 90 percent may be approved for

- (1) projects located in poverty areas
- (2) projects with potential for reducing health care costs through
  - (a) shared services among health facilities
  - (b) interfacility cooperation
  - (c) construction or modernization of freestanding outpatient facilities

#### ■ When Applicant Gets Grant Payments

Payments of the Federal share of project costs are made on the basis of work completed as determined by inspections of the project by the State administering authority. The initial payment usually is made after 10 percent of the construction is completed. Additional payments are made as the project progresses.

#### □ Project Selection

Projects are selected by the State administering authority in accordance with the provisions of a State plan for hospital and other health facilities. This plan, developed by the State authority and approved by the Public Health Service, contains an inventory of existing hospital and other health facilities and shows the community's remaining need. Priority for Federal aid is determined on the basis of the relative need of the various areas of the State for additional facilities and services. Applications are submitted for comment to a Comprehensive Health Planning Agency (314b agency where one exists and if none exists to the 314a agency). Such comments are considered by the State Hill-Burton Agency and its State Advisory Council in recommending projects for approval. Projects recommended by the Hill-Burton State Advisory Council are transmitted to the Public Health Service Regional Office for review and approval.

## LOAN AND LOAN GUARANTEE PROGRAMS

### ■ Loan Guarantees with Interest Subsidies

Under the 1970 Hill-Burton legislation, loans to private nonprofit agencies may be guaranteed for the modernization or construction of needed health facilities. Loans arranged with private lenders for a term not to exceed 25 years may be guaranteed by the Federal Government with interest subsidies at a rate sufficient to reduce by 3 percent the net effective interest rate paid by private nonprofit facilities.

### ■ Eligible Private Nonprofit Facilities

Hospitals

Facilities for long-term care

Outpatient facilities (including neighborhood health centers)

Rehabilitation facilities

### ■ Loans to Public Agencies

Direct loans to public agencies to aid in the modernization or construction of needed health facilities may be made at an interest rate comparable to the rate paid by a nonprofit sponsor assisted by the program. The Department of Health, Education, and Welfare would guarantee the obligation, increase the rate of interest paid on it, and sell it to a private investor or to the Federal National Mortgage Association.

### ■ Eligible Public Facilities

Hospitals

Public health centers

Facilities for long-term care

Outpatient facilities (including neighborhood health centers)

Rehabilitation facilities

### ■ Maximum Loan

The maximum loan to be guaranteed — or if a grant is made to the same project, the combined grant and loan — cannot exceed 90 percent of the cost of the project.

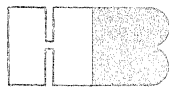
This maximum applies to both private nonprofit and public facilities loans.

### ■ Allotment of Funds to States

The amounts of loans to be guaranteed to private nonprofit agencies or loans to be made to public agencies would be allotted to the States on the basis of their relative financial need, relative population, and relative need for additional or modernized health facilities.

### ■ How to Apply

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STATE AGENCIES Administering the Hospital  
and Medical Facilities Survey and Construction Program

|                   |   |
|-------------------|---|
| Alabama           | Department of Public Health, Montgomery   |
| Alaska            | Department of Health and Welfare, Juneau  |
| Arizona           | State Department of Health, Phoenix   |
| Arkansas          | State Board of Health, Little Rock  |
| California        | State Department of Public Health, Sacramento                                     |
| Colorado          | State Department of Public Health, Denver   |
| Connecticut       | State Department of Health, Hartford  |
| Delaware          | State Board of Health, Dover  |
| Dist. of Columbia | D.C. Department of Public Health, Washington, D.C.                                |
| Florida           | State of Florida Department of Health and<br>Rehabilitative Services, Tallahassee |
| Georgia           | State Department of Public Health, Atlanta  |
| Guam              | Department of Public Health and Social Services, Agana                            |
| Hawaii            | Hawaii Department of Health, Honolulu   |
| Idaho             | Idaho Department of Health, Boise   |
| Illinois          | Illinois Department of Public Health, Springfield                                 |
| Indiana           | State Board of Health, Indianapolis   |
| Iowa              | State Department of Health, Des Moines  |
| Kansas            | State Department of Health, Topeka  |
| Kentucky          | State Department of Health, Frankfort   |
| Louisiana         | State Department of Hospitals, Baton Rouge  |
| Maine             | Maine Department of Health and Welfare, Augusta                                   |
| Maryland          | State Department of Health and Mental Hygiene, Baltimore                          |
| Massachusetts     | Massachusetts Department of Public Health, Boston                                 |
| Michigan          | Michigan Department of Public Health, Lansing                                     |
| Minnesota         | Minnesota Department of Health, Minneapolis                                       |
| Mississippi       | Mississippi Commission on Hospital Care, Jackson                                  |

|                |   |
|----------------|---|
| Missouri       | Missouri Department of Public Health and Welfare,<br>Jefferson City     |
| Montana        | State Department of Health, Helena                                      |
| Nebraska       | Nebraska Department of Health, Lincoln                                  |
| Nevada         | State Department of Health, Welfare, and Rehabilitation,<br>Carson City |
| New Hampshire  | New Hampshire Department of Health and Welfare, Concord                 |
| New Jersey     | State Department of Institutions and Agencies, Trenton                  |
| New Mexico     | Health and Social Services Department, Santa Fe                         |
| New York       | State Department of Health, Albany                                      |
| North Carolina | North Carolina Medical Care Commission, Raleigh                         |
| North Dakota   | State Department of Health, Bismarck                                    |
| Ohio           | Ohio Department of Health, Columbus                                     |
| Oklahoma       | State Department of Health, Oklahoma City                               |
| Oregon         | State Board of Health, Portland   |
| Pennsylvania   | State Department of Public Welfare, Harrisburg                          |
| Puerto Rico    | Puerto Rico Department of Health, San Juan                              |
| Rhode Island   | Rhode Island Department of Health, Providence                           |
| South Carolina | State Board of Health, Columbia   |
| South Dakota   | State Department of Health, Pierre                                      |
| Tennessee      | State Department of Public Health, Nashville                            |
| Texas          | State Department of Health, Austin                                      |
| Utah           | Utah Department of Health and Welfare, Salt Lake City                   |
| Vermont        | Vermont Department of Health, Burlington                                |
| Virgin Islands | Virgin Islands Department of Health, St. Thomas                         |
| Virginia       | State Department of Health, Richmond                                    |
| Washington     | Department of Social and Health Services, Olympia                       |
| West Virginia  | State Department of Health, Charleston                                  |
| Wisconsin      | Department of Health and Social Services, Madison                       |
| Wyoming        | Department of Health and Social Services, Cheyenne                      |